

(continued)

4. Revenue to the state would be unchanged. The additional revenue resulting from the increase in tax rate would be allocated to cities, towns, and counties.
5. There would be additional expenditure of \$5,660 by the Department of Revenue in fiscal 2002 for contract computer programming services.

Department of Commerce

6. The 2 cents increase in the accommodations tax would have little, if any, impact on overall tourism or lodging occupancy rates in the 2003 biennium. Because of rounding, SB 127 slightly modifies the allocation of accommodations tax receipts flowing to currently authorized statutory entities, and it is estimated that Travel Montana would receive an additional \$34,357 in each year of the 2003 biennium.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Department of Revenue		
<u>Expenditures:</u>		
Operating Expenses	5,660	0
<u>Funding:</u>		
State Special Revenue (02)	5,660	5,660
Department of Commerce		
<u>Expenditures:</u>		
Operating Expenses	34,357	34,357
<u>Funding:</u>		
State Special Revenue (02)	34,357	34,357

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Department of Revenue

1. All additional revenue raised as a result of this bill would go to towns, cities, and counties where the tax is collected. In FY 2000, lodging facility use tax collections were \$11,119,551. If the tax rate had been 6% in FY 2000, additional revenue of \$5.56 million would have been collected.
2. The average annual growth rate of collections from FY 1996 to FY 2000 was 4.86%. If taxable lodging charges continue to grow at this rate, this bill would increase revenue of towns, cities, and counties by \$6.1 million in FY 2002 and \$6.4 million in FY 2003.